

Garvan F. McDaniel, Esq. (DE Bar No.: 4167)
(Pro Hac Application to be filed)
Bifferato Gentilotti LLC
800 King Street, Plaza Level
Wilmington, DE 19801
Telephone: (302) 429-1900
Facsimile: (302) 429-8600
E-mail: gmcDaniel@bglawde.com

Attorney for Kelly Services, Inc.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

GENERAL MOTORS CORP, *et al.*,

Debtors.

Case No. 09-50026 (REG)

Chapter 11

Jointly Administered

**LIMITED OBJECTION AND RESERVATION OF RIGHTS
OF KELLY SERVICES, INC. TO PROPOSED CURE COSTS**

Kelly Services, Inc. (“**Kelly**”), by its counsel, Bifferato Gentilotti LLC, hereby objects on a limited basis to the cure amounts proposed by General Motors Corporation (“**GM**”) and its affiliated debtors (collectively, the “**Debtors**”) to the Notice of (I) Debtors’ Intent to Assume and Assign Certain Executory Contracts, Unexpired Leases of Personal Property and Unexpired Leases of Nonresidential Real Property and (II) Cure Amounts Related Thereto, dated June 5, 2009 (the “**Notice**”). Kelly files this Limited Objection to the Notice as it is vague to which contracts are being assumed and as such may not accurately state the amount due to Kelly. In further support of the objection Kelly states as follows:

Background

1. On June 1, 2009 (the “**Petition Date**”), the Debtors commenced cases under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”).

2. On June 1, 2009, the Debtors also filed a motion seeking an order approving bidding procedures to sell substantially all of its assets, which includes a procedure for the Debtors' assumption and assignment of executory contracts (Docket No. 92) (the "**Procedures Motion**").

3. On June 2, 2009 the Court granted the Procedures Motion, including the procedure for assuming and assigning executory contracts to the proposed purchaser, Vehicle Acquisition Holdings LLC. ("**VAH**") or any other ultimate purchaser of the Debtors' assets (the "**Procedures Order**").

Kelly's Contractual Relationship with GM

4. Kelly is a temporary staffing firm and, as such, places employees on intermittent assignments of indeterminate length. These assignments involve placing our employees on-site with our customer, who then supervises and directs the temporary employees' work, controls working conditions, determines the length of the assignment, and maintains a safe workplace. When Kelly provides temporary employees to a customer, Kelly and its customer become co-employers of the temporary employees. Kelly and GM have had an ongoing business relationship for 50 years supplying various temporary employee personnel allowing GM to meet fluctuating consumer demands. Kelly has also had an ongoing relationship with OnStar (GM affiliate) for over 13 years supplying temporary OnStar Service Managers ("**OSM**") travelling to the various dealerships to represent and assist with OnStar product needs.

The Notice

5. The Notice itself is dated June 5, 2009, however, Kelly was not in receipt of the Notice until after the objection deadline as stated in the Notice had passed. Therefore Kelly is filing this Objection as soon as Kelly could engage counsel to review the cure website. Kelly,

however, is fully committed to working with the Debtors to resolve any issues Kelly has with the Debtors and is filing this Objection out of an abundance of caution to preserve its rights.

Objection

6. By its objection, Kelly is seeking to confirm the cure amount as posted on the Debtors' website and to confirm which contracts the Debtors expect to assume and assign.

7. Section 365(b)(1) of the Bankruptcy Code provides that:

[i]f there has been a default in an executory contract or unexpired lease of the debtor, the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee --

(A) cures, or provides adequate assurance that the trustee will promptly cure, such default . . . ;

(B) compensates, or provides adequate assurance that the trustee will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and

(C) provides adequate assurance of future performance under such contract or lease.

11 U.S.C. § 365(b)(1).

8. Thus, Kelly objects to the assumption and assignment of the Kelly contracts until it is confirmed with the Debtors the contracts in which it seeks to assume and the corresponding cure amounts. In addition, Kelly is still providing workers to the Debtors. Accordingly, additional amounts have accrued, and will continue to accrue, under the contracts. To the extent such additional amounts are not paid by the Debtors in the ordinary course of business, Kelly reserves the right to assert additional cure amounts, accrued and unpaid, in consideration for the services performed by Kelly after the Petition Date, against the Debtors, their estates or the Purchaser as a condition to assumption and assignment of the Kelly contracts.

9. In accordance with the Procedures Order, Kelly intends to continue to meet and confer with the Debtors, and meet and confer with the Purchaser, in good faith, to seek to resolve this objection to the proposed Cure Costs under the Kelly contracts.

WHEREFORE, Kelly respectfully requests that this Court (i) sustain its objection to the Debtors' proposed Cure Costs as incorrect and inadequate to satisfy the requirements of section 365(b)(1) of the Bankruptcy Code, (ii) order that the Purchaser pay the corrected cure amounts as agreed to by the parties, (iii) authorize Kelly to reserve its rights to further amend the cure amount to reflect any unpaid post-petition defaults thereunder, and (iv) grant such other and further relief as it deems just and proper.

Dated: June 23, 2009
Wilmington, Delaware

/s/ Garvan F. McDaniel
Garvan F. McDaniel (No. 4167)
Bifferato Gentilotti LLC
800 N. King Street, Plaza Level
Wilmington, Delaware 19801
Tel: 302-429-1900
Fax: 302-429-8600
Counsel to Kelly Services, Inc.